

## Issue Brief – UCAT Leases

NUMBER UCAT-03

### SUMMARY

Leases for new or expanded facilities for UCAT are recommended at \$932,800 for FY 2008 and \$1,310,300 supplemental FY 2007.

### OBJECTIVE

The additional leased space is for the purpose of serving additional students at the Bridgerland, Davis, Mountainland, Ogden/Weber, Salt Lake/Tooele, Southeast, and Southwest ATC campuses.

### DISCUSSION AND ANALYSIS

Utah statute requires UCAT to utilize leased space. As the campuses grow and provide services in outlying areas, the costs for this leased space increases. The following table shows the campuses that have requested funding for new or increased leases.

UCAT Leased Facilities FY 2007/2008		
	Recommended <u>FY 2007</u>	Recommended <u>FY 2008</u>
Bridgerland ATC		
Brigham City lease		\$80,500
Rich County lease		75,700
Davis ATC		
Freeport Center lease		12,300
Mountainland ATC		
American Fork		22,600
Ogden/Weber ATC		
Business Depot Ogden lease	1,230,000	230,000
Roy lease	73,000	152,000
Salt Lake/Tooele ATC		
Main Campus lease		91,400
Southeast ATC		
Price lease	7,300	7,300
Southwest ATC		
Kane County lease		75,800
Automotive Technology lease		108,000
Central Administration		
Gateway Office lease		77,200
<b>Total UCAT Leases Funding Recommendation</b>	<b><u>\$1,310,300</u></b>	<b><u>\$932,800</u></b>

The recommendation for the Bridgerland ATC Brigham City lease will allow it to expand its leased space by approximately 7,000 square feet in the current facility which is needed due to enrollment growth in the cosmetology, dental assisting, and IT programs. The Bridgerland ATC Rich County facility serves 299 students and occupies 13,500 square feet, which has been provided by the Rich County School District. This space has

been provided without cost due to the budget problems in 2002 and 2003. Now the lease arrangement needs to have State funding.

The Davis ATC lease is the result of increases in the lease agreement for the Freeport Center training facility.

The Mountainland ATC has a lease/purchase agreement with the Alpine School District for the facility in American Fork. The recommendation is to cover increases in interest expenses, overhead, and other operating costs.

The recommendation for the Ogden Weber ATC Business Depot Ogden lease is for a new lean manufacturing program. The cost of leasing the new space is \$230,000. This new program is being made available through a donation of approximately \$25 million worth of training equipment. This recommended funding is for both FY 2007 (supplemental) and FY 2008. In addition, improvements and retro-fitting of the leased space was required to accommodate the donated equipment. The cost of these improvements is \$1 million, recommended as a FY 2007 supplemental. The Roy lease facility serves the southwest area of Weber County and Hill Air Force Base. Approximately half of the lease costs of the facility were funded last year so there is a supplemental for the balance of \$73,000 for FY 2007. The FY 2008 recommendation reflects that same balance for FY 2008 and an additional \$79,000 to expand into the remaining 9,100 square feet of the same facility to accommodate increased enrollments in the composite and materials testing program.

Approximately 80% of the Salt Lake/Tooele ATC lease funding is for a cost escalator in the lease agreement with the Granite School District. The remaining portion is to expand into five additional classrooms in the current facility to accommodate enrollment increase in practical nursing, business technology, dental assisting, and IT.

The Southeast ATC funding is to provide an additional 2,000 square feet of classroom space at the Price campus.

The Southwest ATC has a partnership with the Kane School District for a satellite campus facility in Kanab. The facility provides space for automotive, building construction, information technology, and health sciences. The recommendation is for \$75,800. The Automotive Technology program has outgrown its space at Southern Utah University and is in need of a larger, more suitable facility. The facility would house an automotive tech lab, classrooms, and instructors' offices. The recommended amount is \$108,000.

Last year, the Legislature approved an increase in the UCAT Central Administrative staff of 2.5 FTE plus three additional staff for the Northstar student information system. This increase necessitated the office moving to other space within the Board of Regents' building at the Gateway. The new space is 3,100 square feet. In conjunction with increased administrative staff, the leased space has increased, resulting in an additional cost of \$77,200.

